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TOWN OF ABITA SPRINGS
ABITA SPRINGS, LOUISIANA

FINANCIAL STATEMENTS AND AUDITORS'
REPORT WITH SUPPLEMENTAL INFORMATION

DECEMBER 31, 2000

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 06/13/01

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INDEPENDENT AUDITORS' REPORT

The Honorable Mayor and Board of Aldermen
Town of Abita Springs
Abita Springs, Louisiana

We have audited the accompanying general purpose financial statements of the Town of Abita Springs as of December 31, 2000 and for the years ended December 31, 2000 and 1999, as listed in the table of contents. These financial statements are the responsibility of the Town of Abita Springs, Louisiana's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and the disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the Town of Abita Springs, Louisiana, at December 31, 2000, and the results of its operations and cash flows for its proprietary fund type for the two years then ended, in conformity with generally accepted accounting principles.

Our audit was made for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The accompanying financial information listed as supporting schedules in the table of contents is presented for purposes of additional analysis and is not a required part of the financial statements of the Town of Abita Springs, Louisiana. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly presented in all material respects in relation to the financial statements taken as a whole.

In accordance with Government Auditing Standards, we have also issued a report dated March 12, 2001, on our consideration of the Town of Abita Springs internal control over financial reporting and on its compliance with laws and regulations.

Smith, Huval & Associates, L.L.C.

March 12, 2001

COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS

December 31, 2000

The accompanying notes are an integral part of this statement.

Town of Abita Springs, Louisiana

COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS (CONTINUED)

December 31, 2000

| | Governmental Fund Types | | | Proprietary Fund Type | Account Groups | | Totals (Memorandum Only) |
|--------------------------------------|-------------------------|--------------------|-----------------|--------------------------|-------------------------|---------------------------|--------------------------------|
| | General | Special Revenue | Debt Service | | General Fixed Assets | General Long-Term Debt | |
| LIABILITIES AND FUND EQUITY | | | | | | | |
| Current liabilities: | | | | | | | |
| Accounts payable | \$ 7,177 | \$ | \$ | 135,602 | \$ | \$ | 142,779 |
| Payroll taxes and retirement payable | 6,896 | | | | | | 6,896 |
| Pooled cash in other funds | 93,341 | | | 825 | | | 94,166 |
| Due to other funds | 1,922 | | | | | | 1,922 |
| Payable from restricted assets: | | | | | | | |
| Accrued interest | | | | 28,877 | | | 28,877 |
| Revenue bonds payable | | | | 22,598 | | | 22,598 |
| Certificate of indebtedness | | | | 15,000 | | | 15,000 |
| Customer meter deposits | | | | 72,680 | | | 72,680 |
| Long-term liabilities: | | | | | | | |
| Bonds payable | | | | 907,715 | | 352,000 | 1,259,715 |
| Certificate of indebtedness | | | | 136,000 | | 25,117 | 161,117 |
| Total liabilities | 109,336 | - | - | 1,319,297 | - | 377,117 | 1,805,750 |
| Fund Equity: | | | | | | | |
| Contributed capital: | | | | | | | |
| Capital Project Fund | | | | 293,085 | | | 293,085 |
| Sales Tax Fund | | | | 7,008 | | | 7,008 |
| Municipality | | | | 271,273 | | | 271,273 |
| EPA grant | | | | 273,339 | | | 273,339 |
| Community Development Block Grant | | | | 598,706 | | | 598,706 |
| Investment in General Fixed Assets | | | | | 486,054 | | 486,054 |
| Retained earnings: | | | | | | | |
| Revenue Bond Fund | | | | 31,371 | | | 31,371 |
| Capital Additions and | | | | | | | |
| Contingencies Fund | | | | 34,600 | | | 34,600 |
| Meter Deposit Reserve Fund | | | | 8,530 | | | 8,530 |
| Unreserved | | | | (127,742) | | | (127,742) |
| Fund balances: | | | | | | | |
| Reserve for Debt Service | | | 143,934 | | | | 143,934 |
| Unreserved and undesignated | 110,593 | 103,585 | | | | | 214,178 |
| Total fund equity | 110,593 | 103,585 | 143,934 | 1,390,170 | 486,054 | - | 2,234,336 |
| | \$ 219,929 | \$ 103,585 | \$ 143,934 | \$ 2,709,467 | \$ 486,054 | \$ 377,117 | \$ 4,040,086 |

The accompanying notes are an integral part of this statement.

Town of Abita Springs, Louisiana

COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
ALL GOVERNMENTAL FUND TYPES

For the Year Ended December 31, 2000

| | General | Special Revenue | Debt Service | Total (Memorandum Only) |
|--|-----------|--------------------|-----------------|-------------------------------|
| Revenues: | | | | |
| Taxes | | | | |
| Real estate | \$ 50,836 | \$ | \$ 50,836 | \$ 101,672 |
| Sales | 359,338 | | | 359,338 |
| Franchise | 54,413 | | | 54,413 |
| Beer and tobacco | 8,209 | | | 8,209 |
| Licenses and permits | 24,972 | | | 24,972 |
| Fines and fees - police | 54,877 | | | 54,877 |
| Grant revenue | 11,375 | | | 11,375 |
| Insurance licenses | 52,092 | | | 52,092 |
| Rentals | 17,525 | | | 17,525 |
| Other | 24,241 | 15,400 | | 39,641 |
| Interest | 1,596 | 1,941 | 2,557 | 6,094 |
| Total revenues | 659,474 | 17,341 | 53,393 | 730,208 |
| Expenditures: | | | | |
| General government | 357,083 | | 1,128 | 358,211 |
| Police | 298,554 | | | 298,554 |
| Parks and recreation | 2,319 | | | 2,319 |
| Debt service | | | 16,000 | 16,000 |
| Principal | | | 23,777 | 23,777 |
| Interest and fees | | | 40,905 | 698,861 |
| Total expenditures | 657,956 | - | 80,803 | 738,759 |
| Excess of revenues over expenditures | 1,518 | 17,341 | 12,488 | 31,347 |
| Other financing sources | | | | |
| Operating transfers in | 20,000 | | | 20,000 |
| Total other financing sources | 20,000 | - | - | 20,000 |
| Excess of revenue and other financing sources over expenditures and other financing uses | 21,518 | 17,341 | 12,488 | 51,347 |
| Fund balance, beginning | 89,075 | 86,244 | 131,446 | 306,765 |
| Fund balance, ending | 110,593 | 103,585 | 143,934 | 358,112 |

The accompanying notes are an integral part of this statement.

Town of Abita Springs, Louisiana

COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
ALL GOVERNMENTAL FUND TYPES

For the Year Ended December 31, 1999

| | General | Special Revenue | Debt Service | Total (Memorandum Only) |
|--|------------------|--------------------|-------------------|-------------------------------|
| Revenues: | | | | |
| Taxes | | | | |
| Real estate | \$ 52,715 | \$ | \$ 51,512 | \$ 104,227 |
| Sales | 347,679 | | | 347,679 |
| Franchise | 48,373 | | | 48,373 |
| Beer and tobacco | 11,454 | | | 11,454 |
| Licenses and permits | 28,815 | | | 28,815 |
| Fines and fees - police | 129,114 | | | 129,114 |
| Grant revenue | 29,353 | | | 29,353 |
| Insurance licenses | 45,499 | | | 45,499 |
| Rentals | 15,275 | | | 15,275 |
| Other | 29,222 | 3,500 | | 32,722 |
| Interest | 1,205 | 1,863 | 1,169 | 4,237 |
| Total revenues | <u>738,704</u> | <u>5,363</u> | <u>52,681</u> | <u>796,748</u> |
| Expenditures: | | | | |
| General government | 330,372 | | | 330,372 |
| Police | 344,301 | | | 344,301 |
| Parks and recreation | 2,490 | | | 2,490 |
| Debt service | | | 16,000 | 16,000 |
| Principal | | | 26,287 | 26,287 |
| Interest and fees | | | 42,287 | 719,450 |
| Total expenditures | <u>677,163</u> | <u>-</u> | <u>42,287</u> | <u>719,450</u> |
| Excess of revenues over expenditures | 61,541 | 5,363 | 10,394 | 77,298 |
| Other financing sources (uses) | | | | |
| Operating transfers in | 20,000 | | | 20,000 |
| Proceeds from certificate of indebtedness | 40,000 | | | 40,000 |
| Total other financing sources (uses) | <u>60,000</u> | <u>-</u> | <u>-</u> | <u>60,000</u> |
| Excess of revenue and other financing sources over expenditures and other financing uses | 121,541 | 5,363 | 10,394 | 137,298 |
| Fund balance, beginning | (32,466) | 80,881 | 121,052 | 169,467 |
| Fund balance, ending | <u>\$ 89,075</u> | <u>\$ 86,244</u> | <u>\$ 131,446</u> | <u>\$ 306,765</u> |

The accompanying notes are an integral part of this statement.

Town of Abita Springs, Louisiana

COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE-
BUDGET (GAAP BASIS) AND ACTUAL - GENERAL AND SPECIAL REVENUE FUND TYPES

For the Year Ended December 31, 2000

| | General Fund | | | Special Revenue Funds | | |
|--|--------------|------------|---|-----------------------|------------|---|
| | Budget | Actual | Variance- Favorable (Unfavorable) | Budget | Actual | Variance- Favorable (Unfavorable) |
| Revenues: | | | | | | |
| Taxes | \$ | \$ | \$ | \$ | \$ | \$ |
| Real estate | 49,000 | 50,836 | 1,836 | | | |
| Sales | 340,000 | 359,338 | 19,338 | | | |
| Franchise | 48,000 | 54,413 | 6,413 | | | |
| Beer and tobacco | 11,000 | 8,209 | (2,791) | | | |
| Licenses and permits | 27,400 | 24,972 | (2,428) | | | |
| Fines and fees - police | 104,000 | 54,877 | (49,123) | | | |
| Grant revenue | 14,700 | 11,375 | (3,325) | | | |
| Insurance licenses | 45,000 | 52,092 | 7,092 | | | |
| Rentals | 13,000 | 17,525 | 4,525 | | | |
| Other | 28,100 | 24,241 | (3,859) | | 15,400 | 15,400 |
| Interest | 500 | 1,596 | 1,096 | | 1,941 | 1,941 |
| Total revenue | 680,700 | 659,474 | (21,226) | - | 17,341 | 17,341 |
| Expenditures: | | | | | | |
| General government | 394,200 | 357,083 | 37,117 | | | |
| Police | 304,500 | 298,554 | 5,946 | | | |
| Parks and recreation | 2,000 | 2,319 | (319) | | | |
| Total expenditures | 700,700 | 657,956 | 42,744 | - | - | - |
| Excess (deficiency) of revenues over expenditures | (20,000) | 1,518 | 21,518 | - | 17,341 | 17,341 |
| Other financing sources (uses): | | | | | | |
| Operating transfers in | 20,000 | 20,000 | - | | | |
| Total other financing sources (uses) | 20,000 | 20,000 | - | - | - | - |
| Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses | \$ - | 21,518 | 21,518 | \$ - | 17,341 | 17,341 |
| Fund balance, beginning | | 89,075 | | | 86,244 | |
| Fund balance, ending | | \$ 110,593 | | \$ - | \$ 103,585 | |

The accompanying notes are an integral part of this statement.

Town of Abita Springs, Louisiana

COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE-
BUDGET (GAAP BASIS) AND ACTUAL - GENERAL AND SPECIAL REVENUE FUND TYPES

For the Year Ended December 31, 1999

| | General Fund | | | Special Revenue Funds | | |
|--|--------------|-----------|---|-----------------------|-----------|---|
| | Budget | Actual | Variance- Favorable (Unfavorable) | Budget | Actual | Variance- Favorable (Unfavorable) |
| Revenues: | | | | | | |
| Taxes | | | | | | |
| Real estate | \$ 48,000 | \$ 52,715 | \$ 4,715 | \$ | \$ | |
| Sales | 242,000 | 347,679 | 105,679 | | | |
| Franchise | 48,000 | 48,373 | 373 | | | |
| Beer and tobacco | 11,500 | 11,454 | (46) | | | |
| Licenses and permits | 25,700 | 28,815 | 3,115 | | | |
| Fines and fees - police | 204,000 | 129,114 | (74,886) | | | |
| Grant revenue | 12,000 | 29,353 | 17,353 | | | |
| Insurance licenses | 45,000 | 45,499 | 499 | | | |
| Rentals | 11,000 | 15,275 | 4,275 | | | |
| Other | 30,500 | 29,222 | (1,278) | | 3,500 | 3,500 |
| Interest | 2,500 | 1,205 | (1,295) | | 1,863 | 1,863 |
| Total revenue | 680,200 | 738,704 | 58,504 | - | 5,363 | 5,363 |
| Expenditures: | | | | | | |
| General government | 365,850 | 330,372 | 35,478 | | | |
| Police | 338,611 | 344,301 | (5,690) | | | |
| Parks and recreation | 2,000 | 2,490 | (490) | | | |
| Total expenditures | 706,461 | 677,163 | 29,298 | - | - | - |
| Excess of revenues over expenditures | (26,261) | 61,541 | 87,802 | - | 5,363 | 5,363 |
| Other financing sources (uses): | | | | | | |
| Operating transfers in | 20,000 | 20,000 | - | | | |
| Proceeds of loans | | 40,000 | 40,000 | | | |
| Total other financing sources (uses) | 20,000 | 60,000 | 40,000 | - | - | - |
| Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses | \$ (6,261) | 121,541 | \$ 127,802 | \$ - | 5,363 | \$ 5,363 |
| Fund balance, beginning | | (32,466) | | | 80,881 | |
| Fund balance, ending | | \$ 89,075 | | \$ | \$ 86,244 | |

The accompanying notes are an integral part of this statement.

Town of Abita Springs, Louisiana

ENTERPRISE FUND
UTILITY SYSTEMS

STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN RETAINED EARNINGS -
PROPRIETARY FUND TYPE

For the Years ended December 31, 2000 and 1999

| | <u>2000</u> | <u>1999</u> |
|--|--------------------|--------------------|
| Operating revenues | | |
| Gas sales | \$ 353,597 | \$ 295,949 |
| Water sales | 103,363 | 97,341 |
| Sewer service charges | 184,637 | 174,920 |
| Garbage collection fees | 117,448 | 113,053 |
| Water and gas connect fees | 33,840 | 31,632 |
| Miscellaneous | 27,507 | 20,551 |
| Total operating revenues | <u>820,392</u> | <u>733,446</u> |
| Operating expenses | | |
| Administrative and general | 98,656 | 68,944 |
| Gas purchased | 256,881 | 127,105 |
| Gas systems | 60,132 | 64,794 |
| Water system | 62,236 | 57,755 |
| Sewerage system | 121,353 | 117,871 |
| Garbage collection | 114,102 | 110,001 |
| Depreciation | 79,022 | 60,791 |
| Total operating expenses | <u>792,382</u> | <u>607,261</u> |
| Net operating income | 28,010 | 126,185 |
| Non-operating revenues (expenses) | | |
| Interest income | 16,214 | 39,500 |
| Interest expense | (65,267) | (67,439) |
| Total non-operating revenue (expenses) | <u>(49,053)</u> | <u>(27,939)</u> |
| Net income (loss) before operating transfers | (21,043) | 98,246 |
| Operating transfers out | <u>(20,000)</u> | <u>(20,000)</u> |
| Net income (loss) | (41,043) | 78,246 |
| Retained earnings (deficit), beginning | <u>(12,198)</u> | <u>(90,444)</u> |
| Retained earnings (deficit), ending | <u>\$ (53,241)</u> | <u>\$ (12,198)</u> |

The accompanying notes are an integral part of this statement.

Town of Abita Springs, Louisiana

ENTERPRISE FUND
UTILITY SYSTEMS

STATEMENT OF CASH FLOWS
PROPRIETARY FUND TYPE

For the Years ended December 31, 2000 and 1999

| | <u>2000</u> | <u>1999</u> |
|---|------------------|------------------|
| Cash flows from operating activities: | | |
| Net operating income | \$ 28,010 | \$ 126,185 |
| Adjustments to reconcile net operating income to net cash provided by operating activities | | |
| Depreciation | 79,072 | 60,791 |
| Amortization of bond issuance costs | 574 | 572 |
| Increase in receivables | (47,575) | (4,790) |
| Decrease in other receivables | - | 25,382 |
| Decrease in prepaid expenses | - | (209) |
| (Decrease) increase in accounts payable | <u>(120,098)</u> | <u>142,589</u> |
| Total adjustments | <u>(88,027)</u> | <u>224,335</u> |
| Net cash provided (used) by operating activities | <u>(60,017)</u> | <u>350,520</u> |
| Cash flows from noncapital financing activities: | | |
| Increase in customer deposits | 6,139 | 2,038 |
| Increase in equity in pooled cash | 71,712 | (12,090) |
| Operating transfers out to other funds | <u>(20,000)</u> | <u>(20,000)</u> |
| Net cash provided (used) by noncapital financing activities | <u>57,851</u> | <u>(30,052)</u> |
| Cash flows from capital and related financing activities: | | |
| Construction costs | - | (757,176) |
| Purchase of fixed assets | (44,709) | (9,790) |
| Principal payment on bonds and certificate of indebtedness | (36,536) | (20,397) |
| Interest payment on bonds and certificate of indebtedness | <u>(65,962)</u> | <u>(67,962)</u> |
| Net cash provided (used) for capital and related financing activities | <u>(147,207)</u> | <u>(869,325)</u> |
| Cash flows from investing activities: | | |
| Interest received from investments | 15,224 | 41,325 |
| Purchase (maturity) of pooled investments not classified as cash equivalents | <u>(6,896)</u> | <u>(6,100)</u> |
| Net cash provided by investing activities | <u>8,328</u> | <u>35,225</u> |

The accompanying notes are an integral part of this statement.

Town of Abita Springs, Louisiana

ENTERPRISE FUND
UTILITY SYSTEMS

STATEMENT OF CASH FLOWS
PROPRIETARY FUND TYPE - (Continued)

For the Years ended December 31, 2000 and 1999

| | <u>2000</u> | <u>1999</u> |
|--|-------------------|-------------------|
| Net increase (decrease) in cash and cash equivalents | \$ (141,045) | \$ (513,632) |
| Cash and cash equivalents at the beginning of the year | <u>343,181</u> | <u>856,813</u> |
| Cash and cash equivalents at the end of the year | <u>\$ 202,136</u> | <u>\$ 343,181</u> |

The accompanying notes are an integral part of this statement.

Town of Abita Springs, Louisiana
NOTES TO FINANCIAL STATEMENTS

December 31, 2000

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Town of Abita Springs was incorporated in 1914, under the provisions of the Lawrason Act. The Town operates under a Mayor-Board of Aldermen form of government.

The accounting and reporting policies of the Town of Abita Springs conform to generally accepted accounting principles (GAAP) as applicable to governments. Such accounting and reporting procedures also conform to the requirements of Louisiana Revised Statutes 24:517. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body in establishing governmental accounting and financial reporting principles. The following is a summary of certain significant accounting policies:

1. Reporting Entity

The financial statements of the Town of Abita Springs consists only of the governmental funds, proprietary fund, and account groups of the Town. The Town has no oversight responsibility for any other governmental entity since no other entities are considered to be controlled by or dependent on the Town. Control or dependence is determined on the basis of budget adoption, taxing authority, funding, and appointment of the respective governing board.

2. Fund Accounting

The accounts of the Town of Abita Springs are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures, or expenses, as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The following funds and groups of accounts included in the accompanying financial statements are used by the Town of Abita Springs:

Governmental Funds:

General Fund - The General Fund is the general operating fund of the Town. It is used to account for all financial resources except those to be accounted for in another fund.

Special Revenue Funds - Special revenue funds are used to account for the proceeds of specific revenue sources (other than capital projects) that are legally restricted to expenditures for specific purposes.

Debt Service Fund - The Debt Service Fund is used to account for the accumulation of resources for, and payment of, general long-term debt principal, interest, and related costs.

Town of Abita Springs, Louisiana

NOTES TO FINANCIAL STATEMENTS (Continued)

December 31, 2000

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2. Fund Accounting - continued

General Fixed Assets and General Long-Term Debt Account Groups:

General Fixed Assets - The General Fixed assets Account Group is used to account for fixed assets used in governmental fund type operations for control purposes. All fixed assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated fixed assets are estimated at their fair market value on the date of donation. No depreciation is recorded on general fixed assets.

General Long-Term Debt Account Group - The General Long-Term Debt Account Group is used to account for long-term liabilities to be financed from governmental funds.

Proprietary Fund:

Enterprise Fund - The Enterprise Fund is used to account for operations (a) that are financed and operated in a manner similar to private business enterprises - where the intent of the government body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges or (b) where the governing body has decided the period determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

3. Fixed Assets and Long-Term Liabilities

The accounting and reporting treatment applied to the fixed assets and long-term liabilities associated with a fund are determined by its measurement focus. All governmental funds are accounted for on a spending or "financial flow" measurement focus. This means that only current assets and current liabilities are generally included on their balance sheets. Their reported fund balance (net current assets) is considered a measure of "available spendable resources". Governmental fund operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in fund balance (net current assets). Accordingly, they are said to present a summary of sources and uses of "available spendable resources" during a period.

Fixed assets used in governmental fund type operations (general fixed assets) are accounted for in the General Fixed Assets Account Group rather than in governmental funds. Public domain ("infrastructure") general fixed assets consisting of certain improvements other than buildings, including roads, bridges, curbs and gutters, streets and sidewalks, drainage systems, and lighting systems are not capitalized by the Town. No depreciation has been provided on general fixed assets.

Town of Abita Springs, Louisiana

NOTES TO FINANCIAL STATEMENTS (Continued)

December 31, 2000

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3. Fixed Assets and Long-Term Liabilities - (Continued)

Fixed asset values are based on historical cost (if available) or estimated historical cost if historical cost was not available.

Long-term liabilities expected to be financed from governmental funds are accounted for in the General Long-Term Debt Account Group, not in the governmental funds.

Because of their spending measurement focus, expenditure recognition for governmental fund types is limited to exclude amounts represented by noncurrent liabilities. Since they do not affect net current assets, such long-term amounts are not recognized as governmental fund type expenditures or fund liabilities. They are listed as liabilities in the General Long-Term Debt Account Group.

The two account groups are not "funds". They are concerned only with the measurement of financial position. They are not involved with measurement of results of operations.

The proprietary fund is accounted for on a cost of services or "capital maintenance" measurement focus. This means that all assets and all liabilities (whether current or noncurrent) associated with its activity are included on its balance sheet. Its reported fund equity (net total assets) is segregated into contributed capital and retained earning components. Proprietary fund type operating statements present increases (revenues) and decreases (expenses) in net total assets.

Depreciation of all exhaustible fixed assets used by the proprietary fund is charged as an expense against its operations. Accumulated depreciation is reported on the propriety fund balance sheet. Depreciation has been provided over the estimated useful lives using the straight line method. The estimated lives are as follows:

| | |
|---------------------------|-------------|
| Water and Sewerage System | 25-40 years |
| Equipment | 5-10 years |

4. Basis of Accounting

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

All governmental funds are accounted for using the modified accrual basis of accounting. Their revenues are recognized when they become measurable and available.

Town of Abita Springs, Louisiana

NOTES TO FINANCIAL STATEMENTS (Continued)

December 31, 2000

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

4. Basis of Accounting - continued

Ad valorem, sales, and other taxes and fees are considered measurable when in the hands of intermediary collecting governments and are recognized as revenue at that time. Grants from other governments are recognized when qualifying expenditures are incurred.

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. Exceptions to this general rule include: (1) accumulated unvested sick pay which is not accrued; and (2) principal and interest on general long-term debt which is recognized when due.

All proprietary funds are accounted for using the accrual basis of accounting whereby revenues are recognized when they are earned and expenses are recognized when incurred.

5. Budgets and Budgetary Accounting

Prior to the beginning of each year, an annual operating budget is prepared. At the end of the fiscal year, unexpended appropriations of these funds automatically lapse.

The Town follows these procedures in establishing the budgetary data reflected in this financial statement:

- (1) The Mayor, Board of Aldermen, Town Clerk, and other advisory personnel assemble the necessary financial information. The Mayor submits the information for review to the Council before the November meeting.
- (2) The budget information is introduced at its regular meeting in November and is published in its official publication.
- (3) The budget is allowed to lay over for 30 days for recommendations and changes and is adopted prior to or at the last meeting of the current fiscal year. The budget is legally adopted through passage of an ordinance by department which is the legal level.

The Town amended its budget during 2000 following the same procedures as above. These amendments are reflected in the budget comparisons.

6. Cash, Cash Equivalents and Investments

Cash balances of all funds are combined to the extent possible. Interest earned on deposits is distributed to the individual funds based on the investment balances of the participating funds during the year. Each fund's portion of the pooled cash is included in equity or deficit in pooled cash on the accompanying combined balance sheet. The combined balance in this pooled cash account as of December 31, 2000 is \$90,861.

Town of Abita Springs, Louisiana
NOTES TO FINANCIAL STATEMENTS (Continued)
December 31, 2000

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

6. Cash, Cash Equivalents and Investments - continued

Under state law, the Town may deposit funds with a fiscal agent bank organized under the laws of the State of Louisiana, the laws of any other state in the union, or the laws of the United States. The Town may invest in United States bonds, treasury notes, repurchase agreements, or certificates and time deposits of state banks organized under Louisiana law and national banks having principal offices in Louisiana.

The Town's deposits at December 31, 2000, are summarized as follows:

| | <u>Carrying Amount</u> | <u>Bank Balance</u> |
|-------------------------|----------------------------|-------------------------|
| Category 1 | | |
| Demand deposits | \$ 294,386 | \$ 319,235 |
| Certificates of deposit | <u>81,462</u> | <u>81,462</u> |
| Total | <u>\$ 375,848</u> | <u>\$ 400,697</u> |

Under state law, the bank balances of these deposits must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal or exceed the amount on deposit with the fiscal agent. At December 31, 2000, deposits are entirely insured or collateralized with securities held by a mutually acceptable third party financial institution in the Town's name, which is considered a Category 1 investment credit risk as defined by the Governmental Accounting Standards Board. The carrying amount does not include accrued interest of \$5,457 on certificates of deposit and investments.

Statutes authorize the Town to invest in the following types of securities:

1. Fully-collateralized certificates of deposit issued by qualified commercial banks and savings and loan institutions located within the State of Louisiana.
2. Direct obligations of the U.S. Government including such instruments as treasury bills, treasury notes and treasury bonds.
3. Obligations of U.S. Government agencies that are deliverable on the Federal Reserve System.
4. Repurchase agreements in government securities in (2) and (3) above made with the primary dealers that report and are regulated by the Federal Reserve Bank of New York.

Town of Abita Springs, Louisiana

NOTES TO FINANCIAL STATEMENTS (Continued)

December 31, 2000

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

6. Cash, Cash Equivalents and Investments - continued

The Town's investments of \$193,943 at December 31, 2000, include United States Treasury Bills stated at cost, which approximates market value. This investment is considered a Category 2 investment risk which includes securities held by the counterpart's trust department or agent in the Town's name.

The Town considers all highly liquid investments with an original maturity of three months or less when purchased to be cash equivalents in the Proprietary Fund.

7. Total Columns on Combined Statements - Overview

Total columns on the combined statements - overview are captioned "memorandum only" to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations, or changes in financial position in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

8. Customer Accounts Receivable

Uncollectible amounts due for customers' utility receivables included in the Enterprise Fund are recognized as bad debts through the establishment of an allowance account at the time information becomes available which would indicate the uncollectibility of the particular receivable. The allowance is \$8,428 and \$5,124 at December 31, 2000 and 1999, respectively.

9. Comparative Data

Comparative data for the prior year has been presented in some funds of the accompanying financial statements in order to provide an understanding of changes in financial position and operations. However, complete comparative data has not been presented in those instances where its inclusion would not be meaningful or would make the statement unduly complex and difficult to read.

Town of Abita Springs, Louisiana

NOTES TO FINANCIAL STATEMENTS (Continued)

December 31, 2000

NOTE B - AD VALOREM TAXES

Property taxes are normally levied and billed in December of each year and are due in February of the following year. Revenues are recognized when levied to the extent they are determined to be currently collectible. The Town bills and collects its own property taxes using the assessed values determined by the tax assessor of St. Tammany Parish. The ad valorem taxes receivable are recorded net of allowance of \$5,358 on the accompanying balance sheet. Total property revenue for the year ended December 31, 2000 is recorded in the funds as follows:

| | |
|------------------------------|-------------------|
| General Fund 7.86 mills | \$ 50,836 |
| Debt Service Fund 7.86 mills | <u>50,836</u> |
| Total | <u>\$ 101,672</u> |

NOTE C - RESTRICTED ASSETS

The Town has approved resolutions authorizing the issuance of \$395,000 Utility Revenue Bonds dated March 24, 1990 and \$600,000 of Utility Revenue Bonds dated July 8, 1998. Both of the resolutions provide for certain restrictions on assets of the Enterprise Fund. The following reserve requirements have been met for the year ended December 31, 2000.

1. Revenue Bond Sinking Fund

The resolution called for the establishment and maintenance of a Utilities Revenue Bond and Sinking Fund sufficient in amount to pay promptly and in full the principal of and the interest on bonds authorized as they become due and payable.

2. Revenue Bond Reserve Fund

The resolution called for the establishment of a Revenue Bond Reserve Fund by depositing with the designated fiscal agent bank of the Town until such time as there has been accumulated in said Reserve Fund a sum equal to the highest combined principal and interest payment in any year of the Bond. The sole purpose of this fund is to pay the principal of and the interest on the bonds payable from the Revenue Bond Reserve Fund as to which these would otherwise be in default.

3. Depreciation and Contingency Fund

The resolution called for the establishment and maintenance of a Depreciation and Contingency Fund to care for depreciation, extensions, additions, improvements and replacements necessary to properly operate the system. Regular deposits of \$371 a month are to be deposited with the regularly designated fiscal agent of the Town.

Meter Deposit Fund - The Town established a meter deposit fund to help maintain customer meter deposits on hand as well as help control customer meter deposits received.

Town of Abita Springs, Louisiana

NOTES TO FINANCIAL STATEMENTS (Continued)

December 31, 2000

NOTE D - INTERFUND RECEIVABLES AND PAYABLES

Individual fund Interfund receivable and payable balances at December 31, 2000 were as follows:

| <u>Fund</u> | <u>Interfund Receivables</u> | <u>Interfund Payables</u> |
|-----------------------|----------------------------------|-------------------------------|
| General Fund | \$ - | \$ 1,922 |
| Special revenue funds | | |
| Mausoleum Fund | <u>1,922</u> | <u>-</u> |
| | <u>\$ 1,922</u> | <u>\$ 1,922</u> |

NOTE E - FIXED ASSETS

The Town has established a detailed fixed asset listing using historical cost and estimated historical cost. In preparing this listing, the Town decided not to capitalize infrastructure assets thereby excluding these assets. Presented below is a summary of changes in general fixed assets:

| | <u>Amount</u> |
|------------------------------|-------------------|
| Balance at January 1, 1999 | \$ 448,649 |
| Additions | 51,498 |
| Retirements | <u>841</u> |
| Balance at December 31, 1999 | 499,306 |
| Additions | 7,218 |
| Retirements | <u>20,470</u> |
| Balance at December 31, 2000 | <u>\$ 486,054</u> |

Fixed assets are shown at net on the Balance Sheet for the Enterprise Fund and consist of the following:

| | <u>2000</u> | <u>1999</u> |
|---|---------------------|---------------------|
| Utility systems - initial costs and improvements: 1960 through 1978 | \$ 270,353 | \$ 270,353 |
| Sewer system | 2,099,029 | 2,099,029 |
| Extensions and additions: 1979 to present | 124,363 | 116,250 |
| Gas system | 49,993 | 13,445 |
| Water system | 641,705 | 641,705 |
| Extensions and additions: 1979 to present | 70,876 | 70,876 |
| Computer equipment and software | <u>8,950</u> | <u>8,950</u> |
| | 3,265,269 | 3,220,608 |
| Less: Accumulated Depreciation | <u>1,035,849</u> | <u>956,827</u> |
| Balance at end of year | <u>\$ 2,229,420</u> | <u>\$ 2,263,781</u> |

Town of Abita Springs, Louisiana

NOTES TO FINANCIAL STATEMENTS (Continued)

December 31, 2000

NOTE F - LONG-TERM DEBT

The following is a summary of bond and certificates of indebtedness transactions of the Town for the two years ended December 31, 2000:

| | General Obligation | Revenue | Total |
|---------------------|-----------------------|---------------------|---------------------|
| Payable at 01/01/99 | \$ 384,000 | \$ 1,152,246 | \$ 1,536,246 |
| Issued | 40,000 | - | 40,000 |
| Retired | <u>19,120</u> | <u>34,397</u> | <u>53,517</u> |
| Payable at 12/31/99 | 404,880 | 1,117,849 | 1,522,729 |
| Issued | - | - | - |
| Retired | <u>27,763</u> | <u>36,536</u> | <u>64,299</u> |
| Payable at 12/31/00 | <u>\$ 377,117</u> | <u>\$ 1,081,313</u> | <u>\$ 1,458,430</u> |

Bonds and certificates payable at December 31, 2000 are comprised of the following individual bonds:

| | |
|--|------------|
| \$395,000 Utility Bonds dated 03/24/90; due in annual installments of \$26,426 including interest at 6.0%; secured by revenues of the Enterprise System. | \$ 363,313 |
| \$212,000 General Obligation Bonds Series 1989, due in annual installments through March 2009; interest paid semi-annually ranging from 7.75% to 11.0%; secured by ad valorem tax. | 87,000 |
| \$365,000 General Obligation Bonds Series 1995; due in annual installments through June 2014; interest paid semi-annually Ranging from 5.55% to 10%; secured by ad valorem tax. | 265,000 |
| \$600,000 Utility Bonds dated 7/8/98 due in annual installments through March 1, 2018 including interest at 6.0%; secured by revenues of the Enterprise Fund | 567,000 |
| \$180,000 Certificate of indebtedness dated 7/8/98 due in annual installments through June 1, 2008; interest paid semi-annually at 6%, secured by revenues of the Enterprise System | 151,000 |

Town of Abita Springs, Louisiana

NOTES TO FINANCIAL STATEMENTS (Continued)

December 31, 2000

NOTE F - LONG-TERM DEBT (Continued)

\$40,000 Certificate of Indebtedness dated
9/9/99 due in monthly installments of principal
and interest at 4.75% through 9/2/2002 secured
by excess revenues of Town

25,117

\$ 1,458,430

General obligation bonds, \$424, 000, are secured by an annual ad valorem tax levy. In accordance with Louisiana Revised Statute 39:562, the Town is legally restricted from incurring long term bonded debt in excess of 35% of the assessed value of taxable property in the municipality. At December 31, 2000 the Town had not exceeded this statutory limit.

The following is a schedule of future principal payments:

| <u>Year Ending December 31</u> | <u>Revenue</u> | <u>General Obligation</u> | <u>Total</u> |
|------------------------------------|---------------------|-------------------------------|---------------------|
| 2001 | \$ 37,598 | \$ 30,482 | \$ 68,080 |
| 2002 | 40,873 | 29,635 | 70,508 |
| 2003 | 43,166 | 23,000 | 66,166 |
| 2004 | 45,476 | 24,000 | 69,476 |
| 2005 | 48,840 | 24,000 | 72,840 |
| Thereafter | <u>865,360</u> | <u>246,007</u> | <u>1,111,360</u> |
| | <u>\$ 1,081,313</u> | <u>\$ 377,117</u> | <u>\$ 1,458,430</u> |

As of December 31, 2000, there is \$143,934 available in the Debt Service Fund to service the general obligation bonds.

NOTE G - FUND DEFICITS

The Enterprise Fund has a deficit in retained earnings of \$53,241 at December 31, 2000.

Town of Abita Springs, Louisiana

NOTES TO FINANCIAL STATEMENTS (Continued)

December 31, 2000

NOTE H - PENSION PLANS

Substantially all employees of the Town of Abita Springs are members of the following statewide retirement systems: Municipal Employees Retirement System of Louisiana and Municipal Police Employees Retirement System of Louisiana. These systems are cost-sharing multiple-employer, defined benefit pension plans administered by separate boards of trustees. Pertinent information relative to each plan follows:

A. Municipal Employees Retirement System of Louisiana (System)--The System is composed of two distinct plans, Plan A and Plan B, with separate assets and benefit provisions. All employees of the municipality are members of Plan A.

All permanent employees working at least 35 hours per week who are not covered by another pension plan and are paid wholly or in part from municipal funds and all elected municipal officials are eligible to participate in the System. Under Plan A, employees who retire at or after age 60 with at least 10 years of creditable service, at or after age 55 with at least 25 years of creditable service, or at any age with at least 30 years of creditable service are entitled to a retirement benefit, payable monthly for life, equal to 3 per cent of their final-average salary for each year of creditable service. Final-average salary is the employee's average salary over the 36 consecutive or joined months that produce the highest average. Employees who terminate with at least the amount of creditable service stated above, and do not withdraw their employee contributions, may retire at the ages specified above and receive the benefit accrued to their date of termination. The System also provides death and disability benefits. Benefits are established by state statute.

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Municipal Employees Retirement System of Louisiana, 7937 Office Park Boulevard, Baton Rouge, Louisiana 70809, or by calling (504) 925-4810.

Funding Policy. Under Plan A, members are required by state statute to contribute 9.25 percent of their annual covered salary and the Town of Abita Springs is required to contribute at an actuarially determined rate. The current rate is 5.75 percent of annual covered payroll. Contributions to the System also include one-fourth of one percent (except in Orleans and East Baton Rouge Parishes) of the taxes shown to be collectible by the tax rolls of each parish. These tax dollars are divided between Plan A and Plan B proportionately on the salaries of the active members of each plan. The contribution requirements of plan members and the Town of Abita Springs are established and may be amended by state statute. As provided by Louisiana Revised Statute 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The Town of Abita Springs required contributions to the System under Plan A for the years ending December 31, 2000, 1999, and 1998 were \$9,873, \$9,995 and \$9,735 respectively, equal to the required contributions for each year.

B. Municipal Police Employees Retirement System of Louisiana (System)--All full-time police department employees engaged in law enforcement are required to participate in the System. Employees who retire at or after age 50 with at least 20 years of creditable service or at or after age 55 with at least 12 years of creditable service are entitled to a retirement benefit, payable monthly for life, equal to 3 1/3 per cent of their final-average salary for each year of creditable service. Final-average salary is the employee's average salary over

Town of Abita Springs, Louisiana

NOTES TO FINANCIAL STATEMENTS (Continued)

December 31, 2000

NOTE H - PENSION PLANS - CONTINUED

the 36 consecutive or joined months that produce the highest average. Employees who terminate with at least the amount of creditable service stated, and do not withdraw their employee contributions, may retire at the ages specified previously and receive the benefit accrued to their date of termination. The System also provides death and disability benefits. Benefits are established by state statute.

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Municipal Police Employees Retirement System of Louisiana, 8401 United Plaza Boulevard, Baton Rouge, Louisiana 70809-2250, or by calling (504) 929-7411.

Funding Policy. Plan members are required by state statute to contribute 7.5 percent of their annual covered salary and the Town of Abita Springs is required to contribute at an actuarially determined rate. The current rate is 9.0 percent of annual covered payroll. The contribution requirements of plan members and the Town of Abita Springs are established and may be amended by state statute. As provided by Louisiana Revised Statute 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The Town of Abita Springs required contributions to the System for the years ending December 31, 2000, 1999, and 1998 were \$14,534, \$12,838, and \$13,192, respectively, equal to the required contributions for each year.

NOTE I - BOARD OF ALDERMEN SALARIES

The Board of Aldermen receive three hundred dollars per monthly meeting. They also receive one hundred dollars for any special meetings. The special meetings in which the Board can earn one hundred dollars are limited to not more than one per month. The Board of Aldermen salaries are included in the Town's General Fund.

NOTE J - RECONCILIATION OF CASH AND CASH EQUIVALENTS

The following is a reconciliation of cash and cash equivalents per the balance sheet of the Proprietary Fund to the cash and cash equivalents per the statement of cash flow:

| | <u>2000</u> | <u>1999</u> |
|---|-------------------|-------------------|
| Cash and cash equivalents per balance sheet: | | |
| Cash on hand and in bank | \$ 45,461 | \$ 864 |
| Certificates of deposit | 53,839 | 255,290 |
| Restricted: | | |
| Bond sinking | 58,940 | 58,510 |
| Bond reserve | 8,927 | 5,003 |
| Capital additions and contingency | 9,640 | 5,188 |
| Meter Deposits | <u>25,329</u> | <u>18,326</u> |
| Total cash and cash equivalents per statement of cash flows | <u>\$ 202,136</u> | <u>\$ 343,181</u> |

Town of Abita Springs, Louisiana
NOTES TO FINANCIAL STATEMENTS (Continued)
December 31, 2000

NOTE K - UTILITY ACCOUNTS RECEIVABLE

The following is an aging of utility accounts receivable at December 31, 2000:

| | |
|----------------|--------------------------|
| Current | \$ 115,617 |
| 31 to 60 days | 8,480 |
| 61 to 90 days | 1,212 |
| over 91 days | <u>5,623</u> |
| | 130,932 |
| Less allowance | <u>8,428</u> |
| | <u><u>\$ 122,504</u></u> |

SUPPLEMENTARY INFORMATION

Town of Abita Springs, Louisiana

GENERAL FUND

SCHEDULE OF EXPENDITURES COMPARED TO BUDGET (GAAP BASIS)

For the Year Ended December 31, 2000

| | 2000 | | Variance- Favorable (Unfavorable) | 1999 Actual |
|---------------------------------|-------------------|-------------------|---|-------------------|
| | Budget | Actual | | |
| General government: | | | | |
| Salaries | 110,000 | 122,883 | (12,883) | 102,386 |
| Council salaries | 14,000 | 18,500 | (4,500) | 13,000 |
| Employee insurance and benefits | 50,000 | 33,855 | 16,145 | 50,962 |
| Accounting and auditing | 12,000 | 12,317 | (317) | 21,053 |
| Advertising and publication | 5,000 | 4,438 | 562 | 2,956 |
| Animal control | 1,500 | 700 | 800 | 2,744 |
| Auto - gas and oil | 2,500 | 2,243 | 257 | 4,810 |
| Auto - repairs and maintenance | 3,000 | 562 | 2,438 | - |
| Billing expenses | 2,500 | 2,298 | 202 | 2,261 |
| Contract labor | 7,500 | 8,519 | (1,019) | - |
| Conventions and travel | 4,000 | 2,531 | 1,469 | 2,888 |
| Dues and subscriptions | 1,200 | 1,099 | 101 | 890 |
| Equipment purchased | 8,000 | 1,219 | 6,781 | 4,397 |
| Forestry grant | 3,000 | 6,146 | (3,146) | 3,915 |
| Inspections | 4,500 | 3,660 | 840 | 5,075 |
| Insurance | 28,000 | 13,995 | 14,005 | 13,448 |
| Legal | 5,500 | 6,599 | (1,099) | - |
| Land lease | 1,200 | 1,113 | 87 | - |
| Landscape committee expenses | 3,500 | 2,880 | 620 | 3,599 |
| Lease payments | 2,000 | - | 2,000 | - |
| Miscellaneous | 11,000 | 8,416 | 2,584 | 10,997 |
| Office supplies | 7,000 | 2,559 | 4,441 | 4,744 |
| Payroll taxes | 8,000 | 5,495 | 2,505 | - |
| Piney Woods | 12,000 | 3,768 | 8,232 | 19,607 |
| Postage | 2,000 | 1,898 | 102 | - |
| Repairs and maintenance | 20,000 | 20,053 | (53) | 18,065 |
| Retirement | 7,000 | 6,829 | 171 | - |
| Senior citizens | 2,300 | 3,196 | (896) | 2,380 |
| Street repairs | 30,000 | 31,163 | (1,163) | 16,218 |
| Telephone | 4,000 | 4,010 | (10) | 2,147 |
| Uniforms | 2,000 | 1,364 | 636 | 3,484 |
| Utilities | 20,000 | 22,775 | (2,775) | 18,346 |
| | <u>\$ 394,200</u> | <u>\$ 357,083</u> | <u>\$ 37,117</u> | <u>\$ 330,372</u> |

Town of Abita Springs, Louisiana

GENERAL FUND

SCHEDULE OF EXPENDITURES COMPARED TO
BUDGET (GAAP BASIS) - CONTINUED

For the Year Ended December 31, 2000

| | <u>2000</u> | | Variance- Favorable (Unfavorable) | <u>1999 Actual</u> |
|---------------------------|---------------------|---------------------|---|------------------------|
| | <u>Budget</u> | <u>Actual</u> | | |
| Police: | | | | |
| Salaries | \$ 147,487 | \$ 153,877 | \$ (6,390) | \$ 166,599 |
| Insurance and benefits | 46,000 | 37,370 | 8,630 | 48,839 |
| Retirement | 13,718 | 14,393 | (675) | - |
| Debt service - auto | 14,400 | 13,138 | 1,262 | 3,581 |
| Equipment purchased | 13,470 | 6,298 | 7,172 | 55,582 |
| Evidence | 500 | 231 | 269 | - |
| Gas and oil | 13,000 | 10,726 | 2,274 | 10,985 |
| General insurance | 17,825 | 11,403 | 6,422 | 14,074 |
| Grant expense | 2,000 | 3,357 | (1,357) | 1,536 |
| Miscellaneous | 1,000 | 3,786 | (2,786) | 2,858 |
| Office supplies | 3,500 | 5,448 | (1,948) | 3,476 |
| Repairs and maintenance | 15,500 | 18,660 | (3,160) | 19,447 |
| Telephone | 3,500 | 4,568 | (1,068) | 2,259 |
| Training | 4,000 | 4,572 | (572) | 5,345 |
| Uniforms | 1,000 | 830 | 170 | 2,376 |
| Witness fees | 7,600 | 9,897 | (2,297) | 7,344 |
| | <u>\$ 304,500</u> | <u>\$ 298,554</u> | <u>\$ 5,946</u> | <u>\$ 344,301</u> |
| Parks and recreation: | <u>\$ 2,000</u> | <u>\$ 2,319</u> | <u>\$ (319)</u> | <u>\$ 2,490</u> |

SPECIAL REVENUE FUNDS

NARRATIVE EXPLANATION

CEMETERY FUNDS

The Cemetery Fund is used to account for the revenues to maintain the Town's cemetery. Revenues are received from sales of plots and interest earned on investments. Expenditures are generally for repairs, maintenance and administrative costs.

MAUSOLEUM ENDOWED CARE FUND

The Mausoleum Endowed Care Fund is used to account for the revenues to maintain the Town's mausoleum. Revenues are received from sales of mausoleum crypts and interest earned on investments. Expenditures consist of repairs, maintenance and administrative costs.

Town of Abita Springs, Louisiana
ALL SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET

December 31, 2000

| | <u>Cemetery Fund</u> | <u>Mausoleum Endowed Care Fund</u> | <u>Total</u> |
|---|--------------------------|--|-------------------|
| ASSETS | | | |
| Cash in bank | \$ 34,538 | \$ | \$ 34,538 |
| Equity in pooled cash | 32,720 | 2,552 | 35,272 |
| Investments | 4,066 | 27,623 | 31,689 |
| Due from other funds | - | 1,922 | 1,922 |
| Interest receivable | 164 | - | 164 |
| | <u>\$ 71,488</u> | <u>\$ 32,097</u> | <u>\$ 103,585</u> |
| LIABILITIES AND FUND BALANCE | | | |
| Fund balances | <u>\$ 71,488</u> | <u>\$ 32,097</u> | <u>\$ 103,585</u> |
| | <u>\$ 71,488</u> | <u>\$ 32,097</u> | <u>\$ 103,585</u> |

Town of Abita Springs, Louisiana

ALL SPECIAL REVENUE FUNDS

COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES

For the Year Ended December 31, 2000

| | Cemetery Fund | Mausoleum Endowed Care Fund | Totals | |
|--|------------------|-----------------------------------|-------------------|------------------|
| | | | 2000 | 1999 |
| Revenues | | | | |
| Sale of cemetery plots | \$ 15,400 | \$ - | \$ 15,400 | \$ 3,500 |
| Interest | 302 | 1,639 | 1,941 | 1,863 |
| Total revenue | <u>15,702</u> | <u>1,639</u> | <u>17,341</u> | <u>5,363</u> |
| Expenditures: | | | | |
| Total expenditures | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Excess of revenue over expenditures | 15,702 | 1,639 | 17,341 | 5,363 |
| Fund balance, beginning | <u>55,786</u> | <u>30,458</u> | <u>86,244</u> | <u>80,881</u> |
| Fund balance, ending | <u>\$ 71,488</u> | <u>\$ 32,097</u> | <u>\$ 103,585</u> | <u>\$ 86,244</u> |

Town of Abita Springs, Louisiana

ENTERPRISE FUND
UTILITY SYSTEMS

SCHEDULE OF OPERATING EXPENSES

For the Years Ended December 31, 2000 and 1999

| | <u>2000</u> | <u>1999</u> |
|-------------------------------------|-------------------|-------------------|
| Administrative and General | | |
| Employee insurance and retirement | \$ 26,426 | 26,693 |
| Bad debts | 3,148 | 330 |
| Billing expense | 14,199 | 9,780 |
| Insurance expense | 7,550 | 3,866 |
| Legal and accounting | 12,317 | 16,191 |
| Miscellaneous | 10,868 | 4,703 |
| Office supplies | 2,415 | 3,523 |
| Repairs and maintenance - equipment | 16,932 | - |
| Travel and meetings | 3,891 | 2,123 |
| Uniforms | <u>910</u> | <u>1,735</u> |
| Total Administrative and General | <u>\$ 98,656</u> | <u>\$ 68,944</u> |
| Gas System | | |
| Salaries | \$ 31,481 | \$ 31,536 |
| Materials | 9,406 | 9,870 |
| Repairs and maintenance | <u>19,245</u> | <u>23,388</u> |
| Total Gas System | <u>\$ 60,132</u> | <u>\$ 64,794</u> |
| Water System | | |
| Salaries | \$ 31,976 | \$ 33,476 |
| Materials | 10,348 | 7,217 |
| Repairs and maintenance | 9,398 | 11,374 |
| Utilities | <u>10,514</u> | <u>5,688</u> |
| Total Water System | <u>\$ 62,236</u> | <u>\$ 57,755</u> |
| Sewerage System | | |
| Salaries | \$ 38,570 | \$ 37,343 |
| Materials and supplies | 15,522 | 9,480 |
| Plant testing | 7,117 | 7,179 |
| Repairs and maintenance | 30,480 | 49,993 |
| Utilities | <u>29,664</u> | <u>13,876</u> |
| Total Sewerage System | <u>\$ 121,353</u> | <u>\$ 117,871</u> |
| Garbage Collections | | |
| Garbage pick-up | \$ 111,212 | \$ 107,361 |
| Trash pick-up | <u>2,890</u> | <u>2,640</u> |
| Total Garbage Collection | <u>\$ 114,102</u> | <u>\$ 110,001</u> |

Town of Abita Springs, Louisiana
SUPPLEMENTAL INFORMATION
December 31, 2000

Utility Rate Schedule at December 31, 2000

Water charges:

- | | |
|-------------|---|
| Residential | - \$ 5.95 per month for the first 2,000 gallons |
| | - .90 per month per thousand for next 8,000 gallons |
| | - .50 per month per thousand over 10,000 gallons |
| Commercial | - \$15.00 per month for first 10,000 gallons |
| | - .50 per month over 10,000 gallons |

Sewer charges:

All customers - 2.17 times the water bill calculated above with a minimum of \$13.00 and a maximum of \$55.00.

Gas rate schedule:

Charges thru October 2000 are based on usage schedule ranging from \$4.95/cubic foot to \$.74/cubic foot depending on the volume used. Effective in November 2000, the following formula was used:

$$\begin{aligned}\text{Residential} &= \$4.50 + \{[(\text{gas cost} \times 1.07\%) + \$2.925] \times \text{mcf}\} \\ \text{Commercial} &= \$4.50 + \{[(\text{gas cost} \times 1.07\%) + \$3.290] \times \text{mcf}\}\end{aligned}$$

Town of Abita Springs, Louisiana
SUPPLEMENTAL INFORMATION

December 31, 2000

Governing Board

| <u>Board of Aldermen</u> | <u>Term of Office</u> | <u>Compensation</u> |
|--|-----------------------|---------------------|
| Jonathan Davis, Mayor Pro-Tem P.O. Box 461 Abita Springs, LA 70420 504-892-0711 | December 31, 2002 | \$ 3,900 |
| Lynn Bridges P.O. Box 461 Abita Springs, LA 70420 504-892-0711 | December 31, 2002 | \$ 3,600 |
| Ruth Terry-Sipos P.O. Box 461 Abita Springs, LA 70420 504-892-0711 | December 31, 2002 | \$ 3,600 |
| Louis Fitzmorris P.O. Box 461 Abita Springs, LA 70420 504-892-0711 | December 31, 2002 | \$ 3,600 |
| Calvin Cognovich P.O. Box 461 Abita Springs, LA 70420 504-892-0711 | December 31, 2002 | \$ 3,600 |

Town of Abita Springs, Louisiana
SUPPLEMENTAL INFORMATION
December 31, 2000

Schedule of Insurance Coverage

| <u>Coverage</u> | <u>Amount of Coverage</u> |
|-----------------------------------|-------------------------------|
| Property and contents (aggregate) | \$ 496,200 |
| Fidelity | |
| | Mayor |
| | \$ 30,000 |
| | Mayor pro tem |
| | 30,000 |
| | Town clerk |
| | 30,000 |
| | Utility clerk |
| | 30,000 |
| Liability | |
| | General |
| | \$ 2,000,000 |
| | Auto |
| | 1,000,000 |
| | Error and omissions |
| | 1,000,000 |
| | Law enforcement |
| | 1,000,000 |

Smith, Huval & Associates, L.L.C.

(A LIMITED LIABILITY COMPANY)

Certified Public Accountants

P.O. Box 3790

Covington, Louisiana 70434-3790

Samuel K. Smith, CPA

Patrick "Bryan" Huval, CPA

(985) 892-6633 - Covington

(985) 892-4666 - FAX

REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

The Honorable Mayor and Board of Alderman
Town of Abita Springs, Louisiana

We have audited the general purpose financial statements of the Town of Abita Springs as of and for the years ended December 31, 2000 and 1999 and have issued our report thereon dated March 12, 2001. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

As part of obtaining reasonable assurance about whether the Town of Abita Springs' financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

In planning and performing our audit, we considered the Town of Abita Springs' internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amount that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

This report is intended solely for the information of management, the Rural and Economic Development office of the U.S. Department of Agriculture and the Louisiana Legislative Auditor and is not intended to be nor should be used by any other than those specified parties.

Smith, Huval & Associates, L.L.C.

March 12, 2001